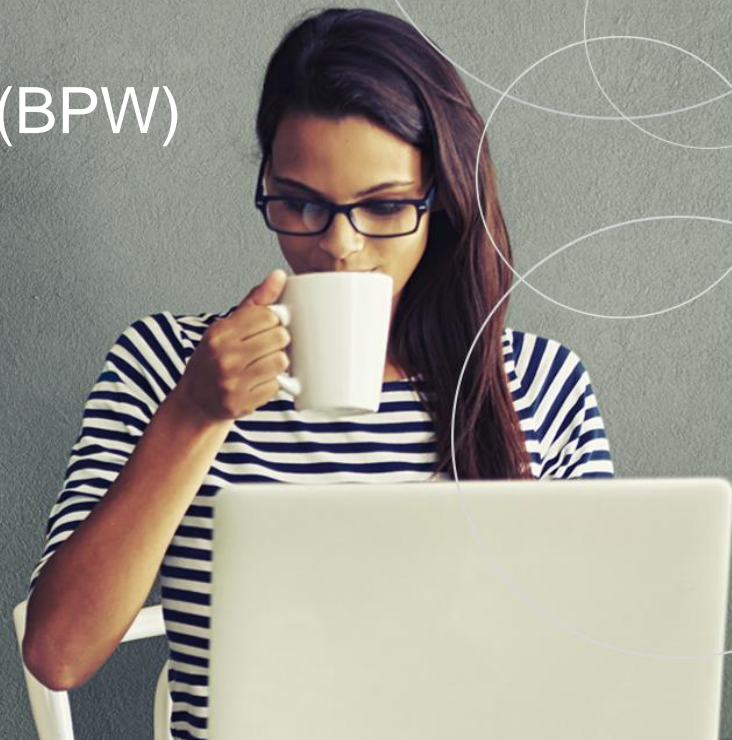




Deposit Processing

Business Process Workshop (BPW)

2017 STO/SCO Release



Agenda

- BPW Objectives
- What You Should Take Away
- Accounts Receivable Overview
- User Roles Summary
- Key Terms
- Business Processes
- Role Mapping Activity
- Identifying Change Impacts
- Next Steps
- Appendix

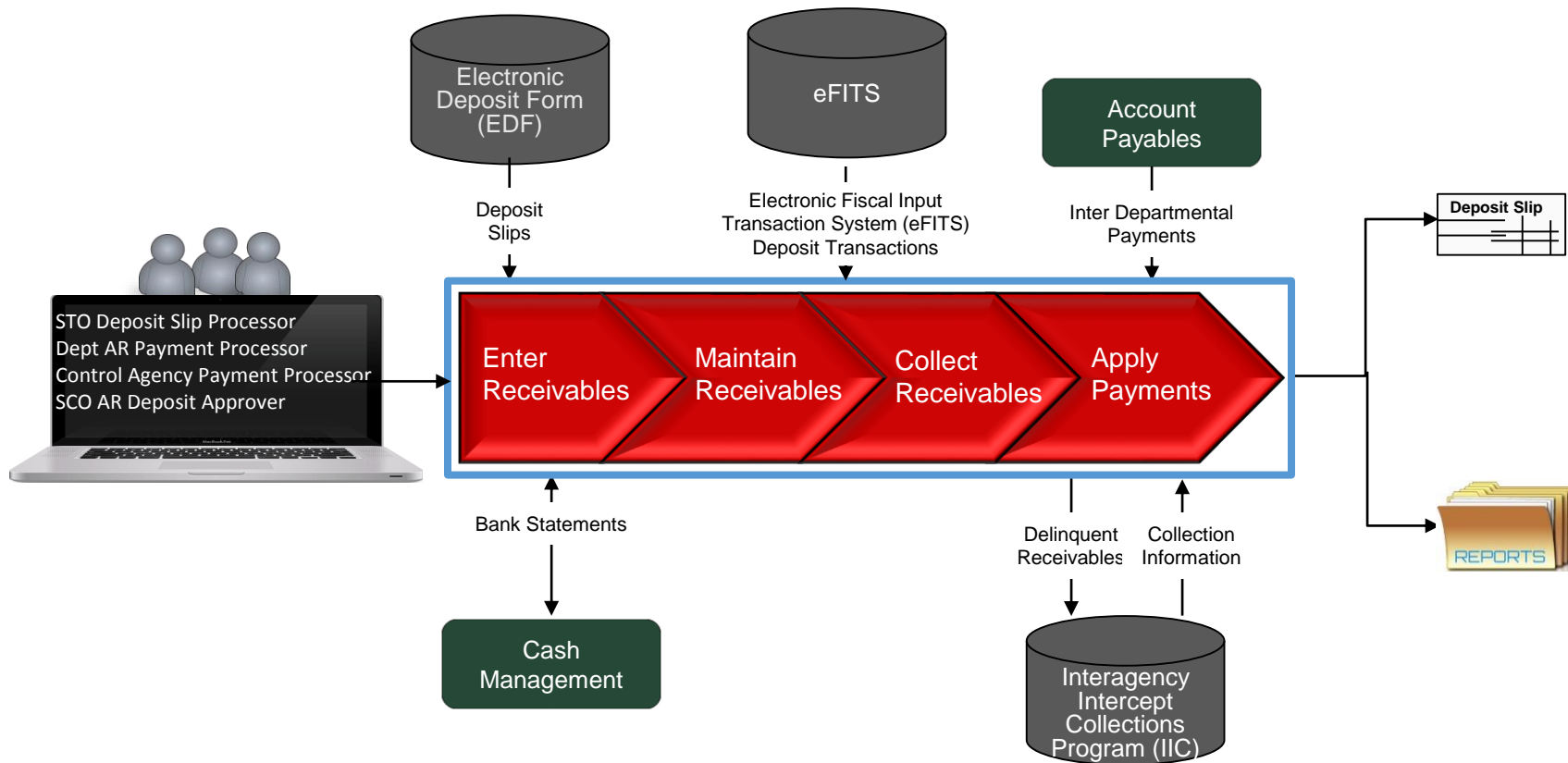
BPW Objectives

- The Business Process Workshops allow participants to:
 - Learn about new end-user roles and what functions they perform
 - Gain an understanding of the new FI\$Cal business processes
 - See a demonstration of how the new FI\$Cal business processes work in the System
 - Understand the next steps in the implementation phase
 - Know how to get assistance from FI\$Cal

What You Should Take Away

- Materials from today's session:
 - Business Process Workshop Presentation
 - Role Mapping Tools
 - SCO Change Management Activities
 - STO Change Impact Tool
- Understanding of the new FI\$Cal processes, the next steps, and the support available from FI\$Cal

Accounts Receivable Overview



Key Terms

Term	Definition
Bank Deposit	Monies received and placed into the Treasurer's account at an approved depository bank within the Centralized Treasury System
Deposit Slip	A deposit slip is a small form that is used to deposit funds into a bank account. In FI\$Cal a Deposit Slip indicates the account, amount, and location code of the deposit.
Regular Deposit	A system transaction consisting of one or more customer payments used for balancing and processing purposes
AR Payment	Remittances are now known as AR Payments in FI\$Cal.
Miscellaneous (Direct) Receipt	A customer payment that is not related to an open receivable. Referred to as a Direct Journal Payment in FI\$Cal.

Key Terms

Term	Definition
Receivable Payment (Billed)	A receipt that is meant to be applied to a customer's open receivable balance
Payment Predictor	System process that applies payments against receivables based on configured rules and reference information associated with the payment (for example, Invoice ID)
Payment Worksheet	Method for applying a customer payment to a customer's open receivable balance
Non-Sufficient Fund (NSF) Payment	Customer check payment that failed to clear the deposit into a bank account. Also may be referred to as a dishonored check.

Key Terms

Term	Definition
Cash Clearing Entries	System generated entries to general cash and Uncleared Collections. This ensures that the general ledger reflects cash as soon as it is received or reconciled on a bank statement; it is not required to apply the cash for it to appear in the general ledger.
Cash Clearing at Deposit	System generated entries to general cash and Uncleared Collections are created upon deposit entry, and the Uncleared Collection entries are reversed and reclassified to the appropriate receivables or revenue accounts as those payments are applied.
Cash Control at Bank Reconciliation	System generated entries to general cash and Uncleared Collections are created upon reconciliation of a deposit, and the Uncleared Collections entries are reversed and reclassified to the appropriate receivables accounts or revenue as those payments are applied.

Key Terms

Term	Definition
Supplemental Deposit	A deposit slip created to claim a prior deposit that is understated (the deposit is more than the deposit form total).

Departmental Compliance

- **Compliant Departments** take their deposits to the banks in a timely manner so they have the ability to record and remit that money in the GL the same day and record the deposit on the CTS bank statement table that same day
- **Non-Compliant Departments** are those that create deposits and don't take it to the bank in a timely manner. These deposits will be subject to STO's bank reconciliation before it records in the GL and can be remitted or appear on the CTS bank statement table

Department Role Summary

FI\$Cal End-User Role	Responsibilities
Deposit Slip Processor	The department end user in the department's cashiering unit who processes deposit slips.
AR Payment Processor	The department end user who enters deposit and payment data based on information from the Department's Cashiering Unit. This end user applies payments to invoices (through worksheets or Payment Predictor).
BI/AR Approver	The department end user who will review, update, and approve bills, receivable items, and deposit and payment data, including setting transactions to post.

Control & Dept Role Summary

FI\$Cal End-User Role	Responsibilities
Bank Statement Reconciliation Processor	The central and department end user who reconciles the Bank Statements for each Departmental Bank Account by reconciling transactions via Automatic, Semi-Manual, or Manual Reconciliation and analyzes exceptions to the reconciliation process.

Control Role Summary

FI\$Cal End-User Role	Responsibilities
STO Deposit Slip Processor	The STO end user who enters and updates deposit slip information for non-FI\$Cal departments.
Control Agency Payment Processor	The SCO or STO end user who enters payment data. This end user applies payments to invoices (through worksheets or Payment Predictor). Currently, it is only SCO who applies payment on behalf of other departments.
SCO AR Cash Clearing Processor	The SCO end user with access to run the Deposit Cash Clearing process.

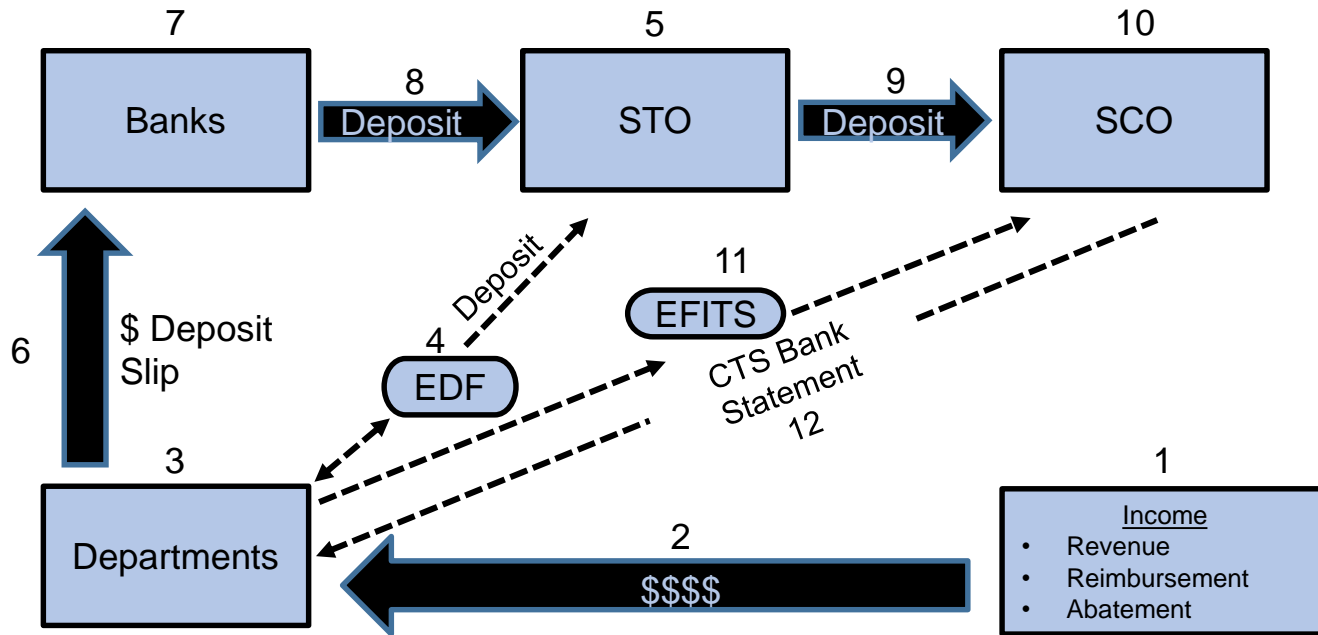
Control Role Summary

FI\$Cal End-User Role	Responsibilities
SCO GL Journal Approver	<p>The SCO end user who is responsible for</p> <ul style="list-style-type: none"> - approving specified journals - approving AR direct journal payments - reviewing and approving investment accounting entries and configuring PMIA Participants - reviewing and approving department requests for transfers between CTS bank accounts - correcting claim funding information in case of invalid ChartField translation - updating and correcting funding information for claims marked in error, running the claim validation process, and setting up the Legacy Defaults page.

Control Role Summary

FI\$Cal End-User Role	Responsibilities
STO Bank Statement Reconciliation Processor	<p>The STO end user who is responsible for</p> <ul style="list-style-type: none"> - reconciling the bank statements for each demand bank account under the depository banks via automatic, semi-manual, or manual reconciliation and analyzing exceptions to the reconciliation process - configuring any configuration related to the deposit slip - approving department supplemental deposit slips - entering and updating deposit slip information for non-FI\$Cal departments - running all scheduled STO-related CM batch processes (e.g., the Create Demand Deposit Accounting entries) - running delivered Cash Management reports and any other custom STO report - viewing demand account accounting entries.


INCOME CYCLE FLOW CHART



Deposit Slips Overview

- Currently, departments send paper copies of deposit slips or use the Electronic Deposit Forms (EDF) to create and print their deposit slip forms to report their deposits to the STO.
- FI\$Cal will be replacing the EDF functionality. FI\$Cal Departments will now be able to record deposit slip information, generate the deposit slip number, and print the deposit slip in FI\$Cal.
- Non-FI\$Cal departments will continue to send paper copies of deposit slips to STO who will enter it into FI\$Cal or continue to use EDF which will now interface directly with FI\$Cal.
- Each deposit slip has specific deposit and bank account information that is passed through the banking system so that the STO, the State Controller's Office (SCO), and the banks are able to easily associate deposits with the department that deposited them.

Deposit Slip Entry

*CTS Bank Account	<input type="text" value="209"/>	*Location	<input type="text" value="000"/>	*Deposit Slip Status	<input type="text" value="Draft"/>
For Agency Use		<input type="text"/>			
Deposit Type	M	Manual			
*Depository Bank	<input type="text" value="BOFA"/>				
*Demand Account	<input type="text" value="D02"/>	BOFA MANUAL			
Deposit Transport Method					
<input checked="" type="radio"/> Bank Stamp <input type="radio"/> Night Deposit <input type="radio"/> Electronic <input type="radio"/> Courier <input type="radio"/> Mail <input type="radio"/> Others					
Entered Date	<input type="text" value="11/02/2016"/>				
Entered By	STO Deposit Slip Processor				
*Deposit Date	<input type="text"/>				
STO Comment	<input type="text"/>				
Slip number to be entered by User for manual Deposit Slips					
Deposit Slip Number <input type="text"/>					
Confirm Deposit Slip Number <input type="text"/>					
Currency Only <input type="text"/> Currency <input type="text" value="USD"/> Coin Only <input type="text"/> Adjustment <input type="text"/> Check <input type="text"/> Item Count <input type="text"/> *Total Deposit <input type="text" value="0.00"/>					
Approval Status Approved By Deposit BU <input type="text" value="4200"/> Deposit ID <input type="text" value="N/A"/>					
<input type="button" value="Print Deposit Slip"/> <input type="button" value="Edit Depository Details"/> <input type="button" value="Delete"/> <input type="button" value="Create Regular Deposit"/> <input type="button" value="Create New Deposit Slip"/>					

Deposit Slips Overview

- AR Deposit Slip Functionality
 - Departments will still have the ability to determine their location codes
 - Departments will still be able to enter 'Agency only' information on their deposit slips
 - Deposit Slips still contain the detail that the STO needs for statistics and to compute banking fees
- The combination of deposit type, CTS account, location code, and bank account will be used to configure what the departments see on the deposit slip entry page.
- The STO will maintain any configuration related to deposit slips.
- Deposits requiring approval from the STO such as Supplemental Deposits, will not be posted to the General Ledger until they are approved by the STO.
 - These deposits will remain on hold until the STO takes action on them.

STATE OF CALIFORNIA REPORT OF DEPOSIT STO EDF ADJ (NEW 01/04)		AGENCY NAME Employment Development Department		LOCATION CODE SUP	ACCOUNT NUMBER 012
1012002089		FOR AGENCY USE		Supplemental	
WELLS FARGO BANK, N.A. PRE-ENCODED WORK, 09 SACRAMENTO MAIN OFFICE 400 CAPITOL MALL SACRAMENTO, CA 95814 FOR CREDIT TO THE STATE TREASURER'S BANK ACCOUNT		IF NO BANK STAMP, CHECK ONE <input type="checkbox"/> COURIER <input type="checkbox"/> NIGHT DEPOSIT <input type="checkbox"/> MAIL			
		DATE DEPOSITED 03/16/2015			
		SIGNATURE			
				ADJ., WIRES, MISC.	\$ 1,980.00
				TOTAL DEPOSIT	\$ 1,980.00
FOR BANK USE ONLY		BANK TELLER'S STAMP		BANK SIGNATURE	
				BANK DATE	

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⑈ 1012002089⑈ ⑆ 518200392⑆

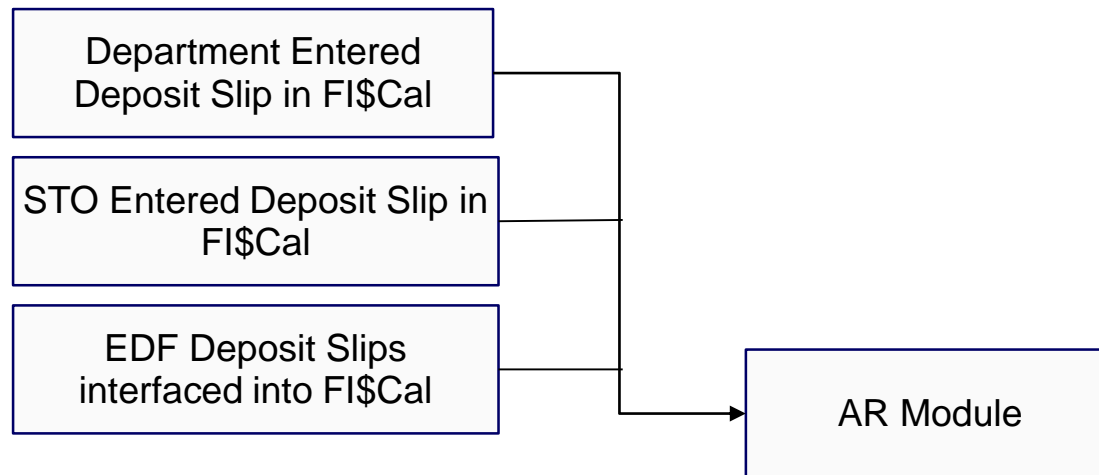
STATE OF CALIFORNIA REPORT OF DEPOSIT STO EDF (NEW 01/04)		AGENCY NAME Franchise Tax Board		LOCATION CODE Z08	ACCOUNT NUMBER 022
1022003570		FOR AGENCY USE		CURRENCY ONLY	
BANK OF AMERICA, N.A., 02 GOVERNMENT SERVICES #1436 555 CAPITOL MALL, SUITE 765 SACRAMENTO, CA 95814		FTB TRANSIT -		\$ 1,709.00	
		IF NO BANK STAMP, CHECK ONE <input type="checkbox"/> COURIER <input type="checkbox"/> NIGHT DEPOSIT <input type="checkbox"/> MAIL		COIN ONLY	
		DATE DEPOSITED 04/02/2015		\$ 16.66	
		SIGNATURE		ADJ., WIRES, MISC.	
				\$ 0.00	
				CHECKS	
				ITEM COUNT	0
				\$ 0.00	
				TOTAL DEPOSIT	\$ 1,725.66
FOR BANK USE ONLY		BANK TELLER'S STAMP		BANK SIGNATURE	
				BANK DATE	

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Deposit Slips into FI\$Cal

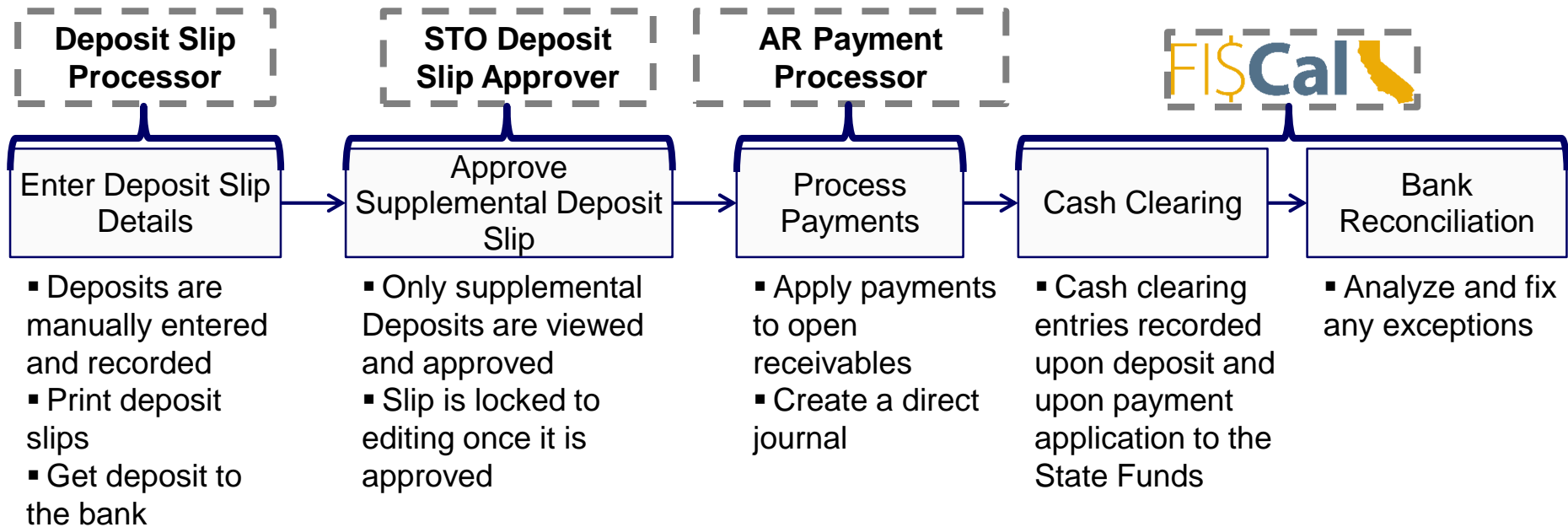
With the 2017 STO/SCO Release, FI\$Cal is now the Book of Record. All Deposit Slips will now be recorded or interfaced into FI\$Cal.



Key Impacts

- For FI\$Cal Departments, Deposit slips no longer need to be entered into EDF
- For Non-FI\$Cal Departments, EDF or paper deposit submissions to STO will still be used

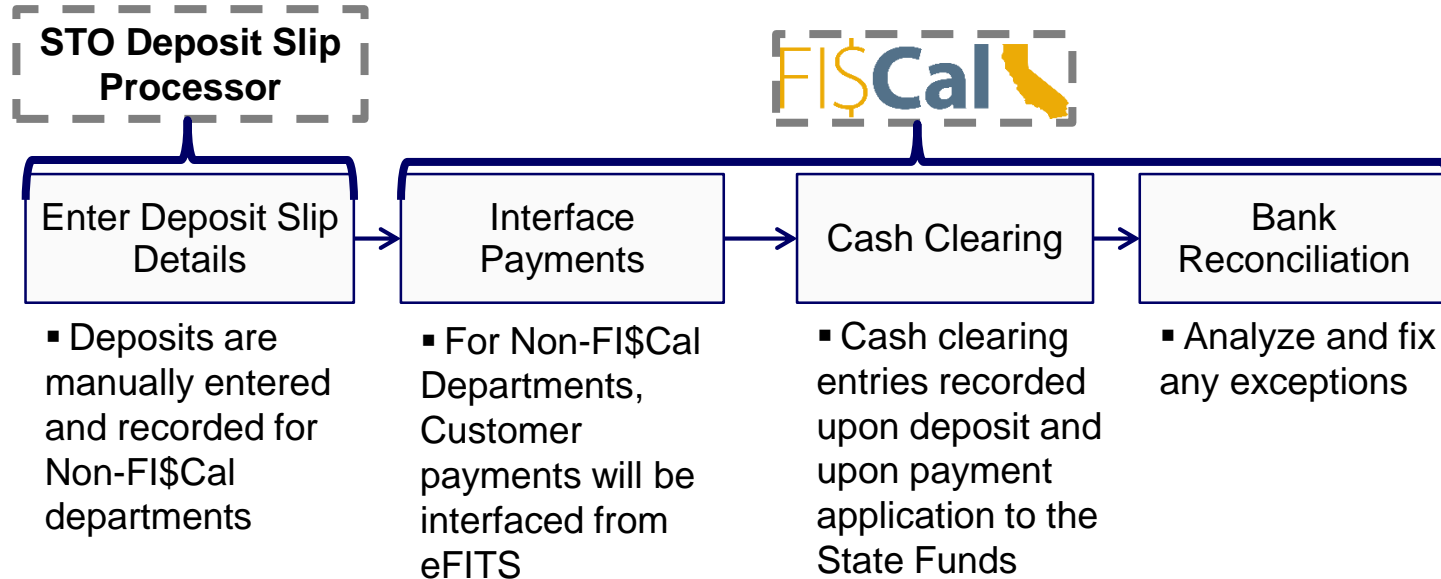
Dept Deposit Slip Processing



Key Impacts

- Departments will record Depository Bank Account details along with the Centralized Treasury System (CTS) Bank Account details while recording deposits in FI\$Cal.
- Location codes will allow departments to identify the money being deposited.
- STO reserves the right to delay cash clearing until reconciliation (Compliance)

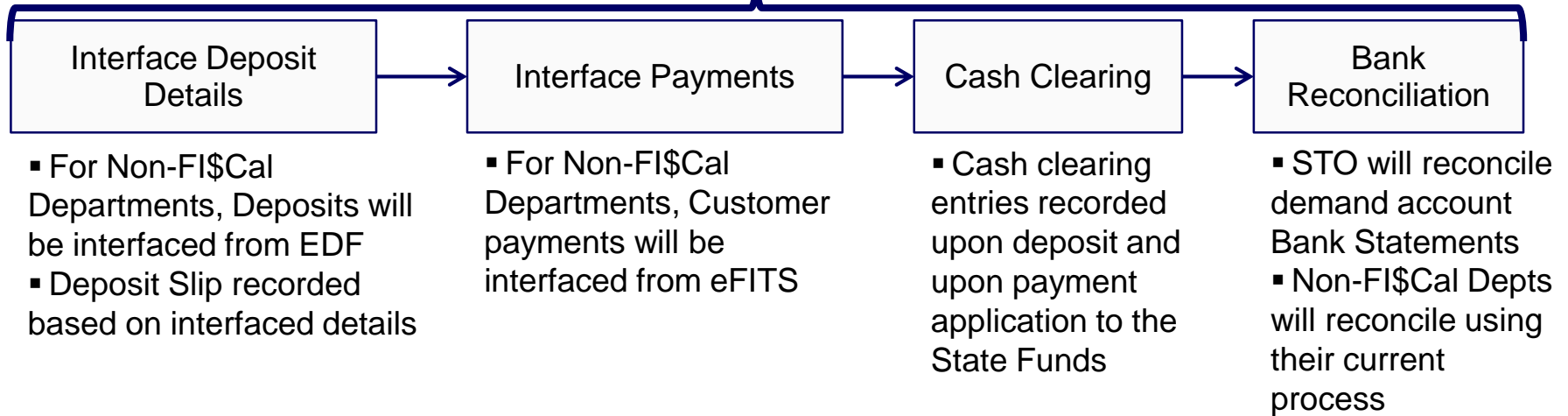
STO Deposit Slip Processing



Key Impacts

- STO will record Depository Bank Account details along with the Centralized Treasury System (CTS) Bank Account details while recording deposits in FI\$Cal
- Location codes will allow departments to identify the money being deposited.

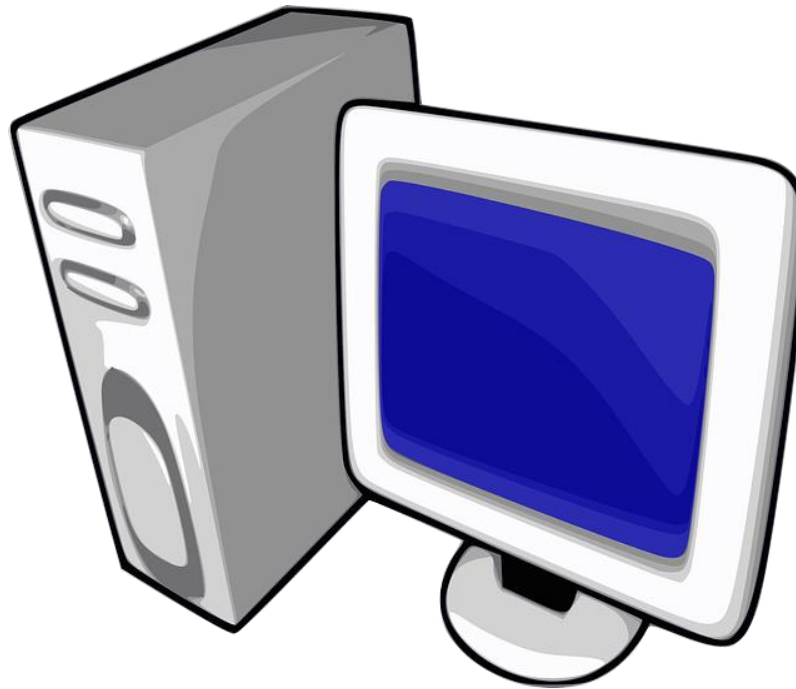
EDF Deposit Slip Processing



Key Impacts

- Non-FI\$Cal Departments will continue to record Depository Bank Account details along with the Centralized Treasury System (CTS) Bank Account details while recording deposits in EDF

Demonstration

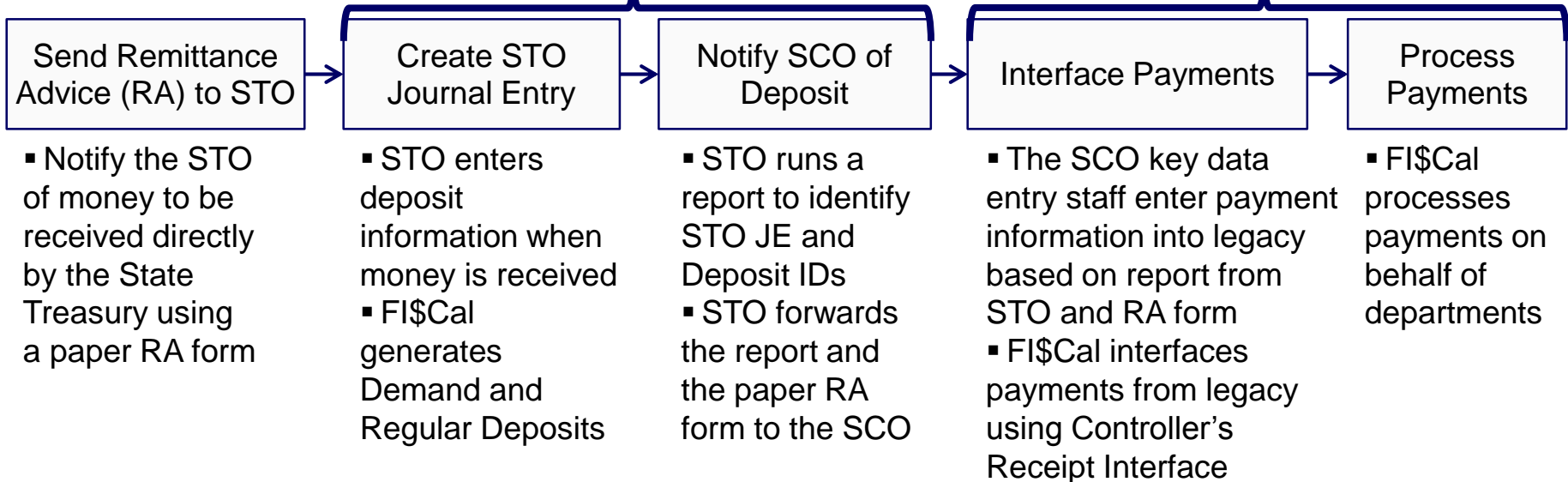


Direct Remittance to State Treasury

- The Direct Remittance business process for Accounts Receivable supports the recording and application of monies received directly into the State Treasury in the FI\$Cal Accounts Receivable module.
- Departments will provide the STO with a Remittance Advice for money being received on their behalf.
 - Such as in the case of a federal drawdown
- The STO will record the deposits for the departments.
- The SCO will apply the payments against these deposits.

Remittance Advice Processing

**STO Demand
Journal Processor**



Key Impacts

- STO will use the custom STO Journal Entry to key in the journals for any deposits.
- Direct Remittances are now entered as payments in FI\$Cal.
- SCO will notify Departments that their payment has been processed.

Process Payments Overview

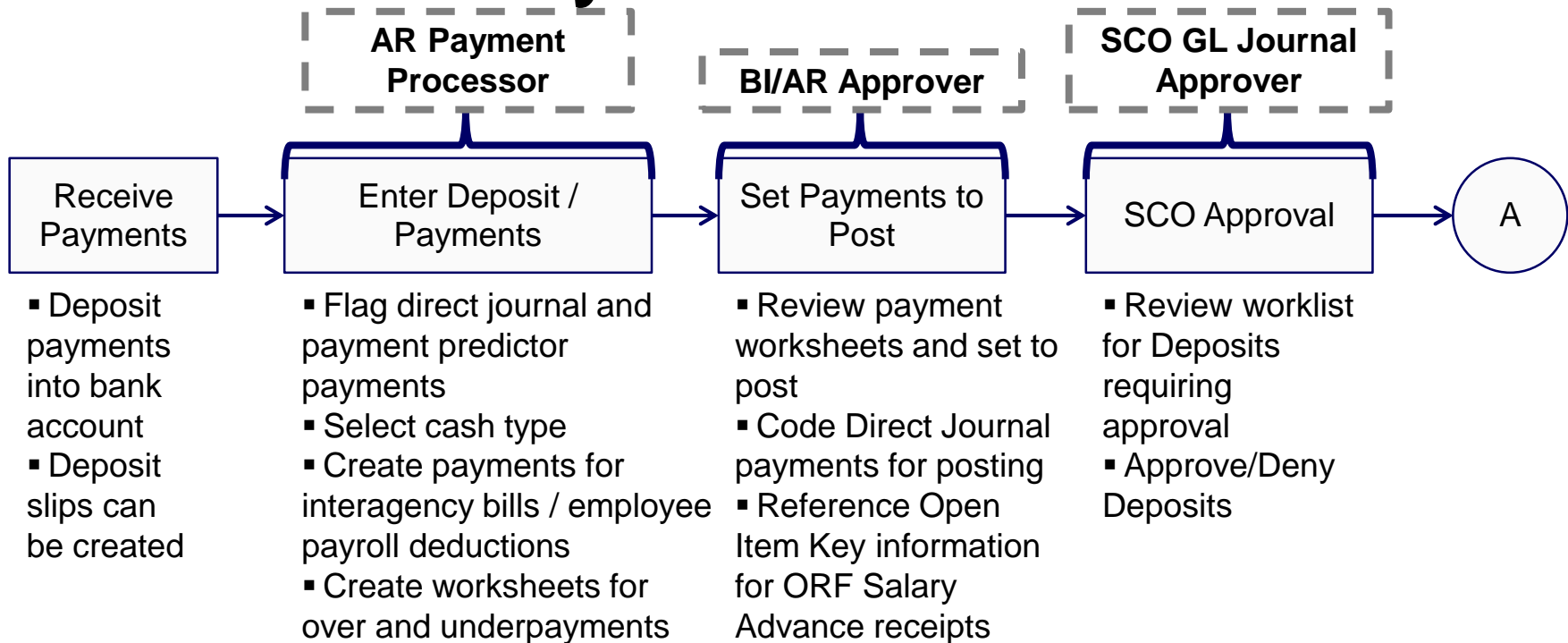
- The Process Payments business process for Accounts Receivable supports the recording and application of monies received directly into the CTS Accounts in the FI\$Cal Accounts Receivable module.
- Departments will apply customer payments against invoices or code payments to specific accounting classifications for non-receivable-related payments.
- Payments can be entered directly in FI\$Cal or they can originate from an external system and be interfaced into FI\$Cal.
- Deposits recorded in the Accounts Receivable module will be integrated with the Cash Management module for the Bank Reconciliation process.
- Some types of regular deposits will require approval from the SCO.

SCO Approval

Regular Deposit Payments requiring SCO approval

- Zero Dollar Payments Deposits with CTS or State Funds
- Negative Regular Deposits
- Direct Journal Payments with GL Business Unit different from Deposit Unit
 - when departments record a remittance on behalf of another department
- Direct Journal Payments that credits Cash (Asset) account on User line
- Direct Journal Payments that debits Revenue account on User line
- Direct Journal Payments that credits Expense account on User line

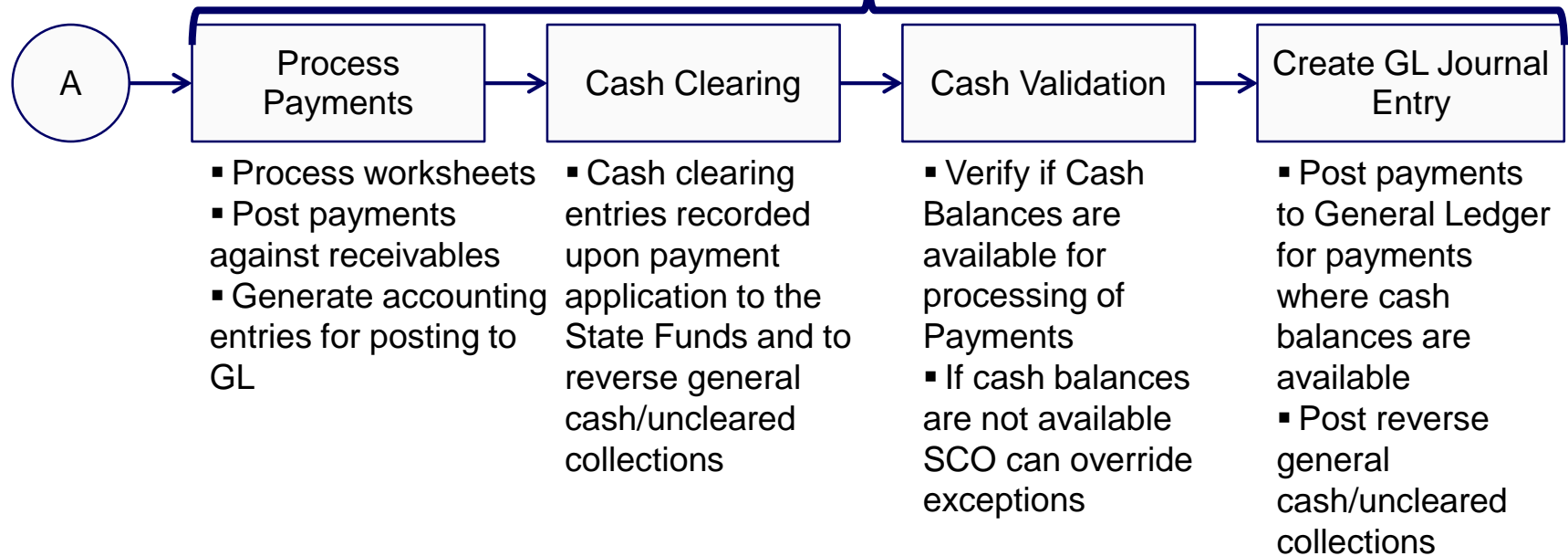
Process Payments



Key Impacts

- Dept. AR Payment Approver role is needed to post and code miscellaneous payments.
 - This includes referencing Open Item Keys for ORF Salary Advance Receipts.

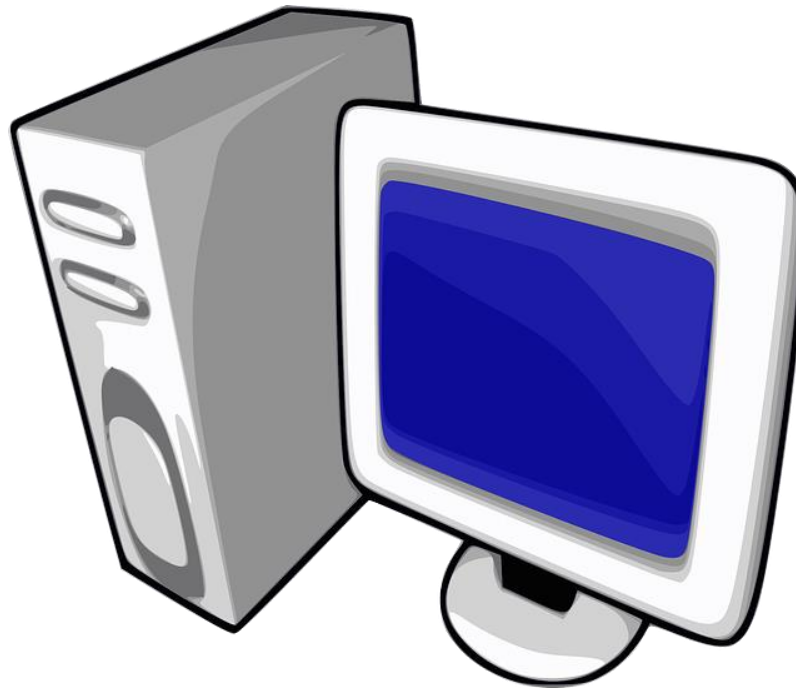
Process Payments



Key Impacts

- Cash Validation will validate sufficient cash when trying to adjust payments between funds.

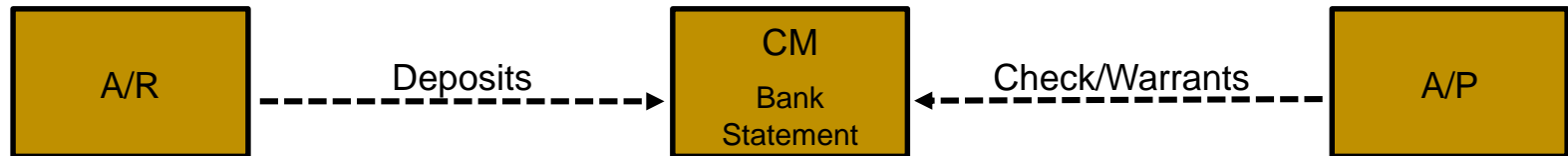
Demonstration



Bank Account Reconciliation

- CTS bank account reconciliation matches transactions on the CTS bank tables (bank side) with those on the system (book side) in CM, AR and AP
- Warrant account reconciliation matches the STO paid warrants (bank side) with the outstanding warrants in AP (book side)
- STO demand account reconciliation involves matching transactions on the BAI2 (bankside) with transactions on the system (bookside) that are generated in CM, AR and AP modules

Bank Account Reconciliation



Automatic Reconciliation

- Reference
- Amount
- Date

Semi-Manual Reconciliation

Created by:
Salem Mashal

Introduction

Deposit
Slips

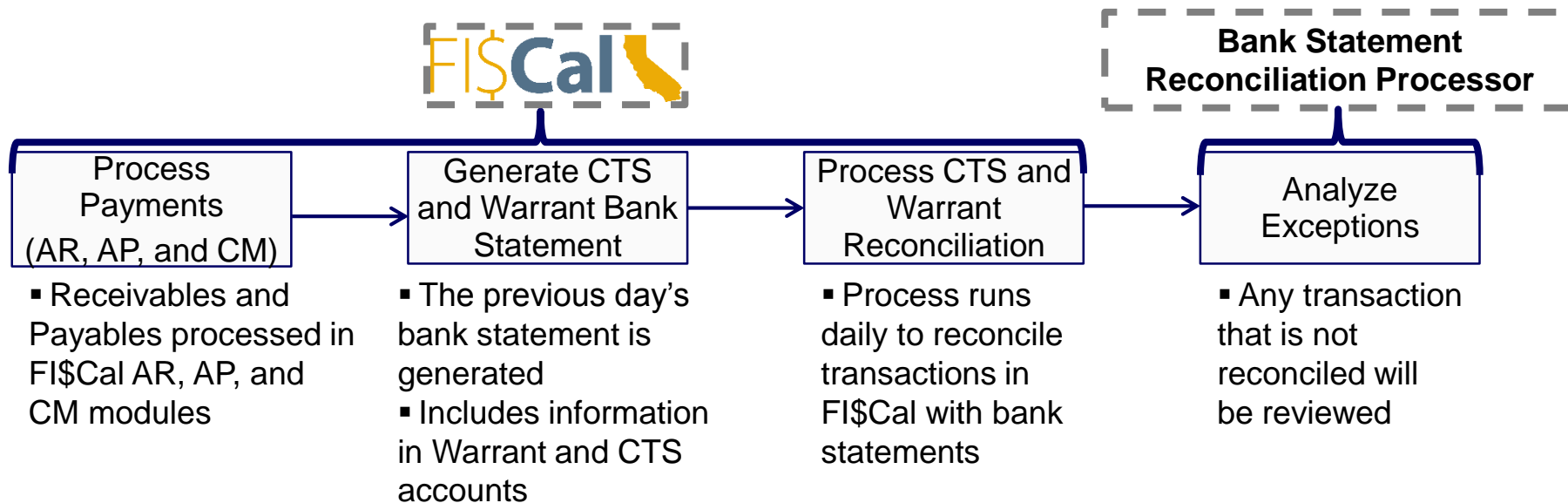
Direct
Remittances/
Payments

Bank
Reconciliation

Closing

Appendix

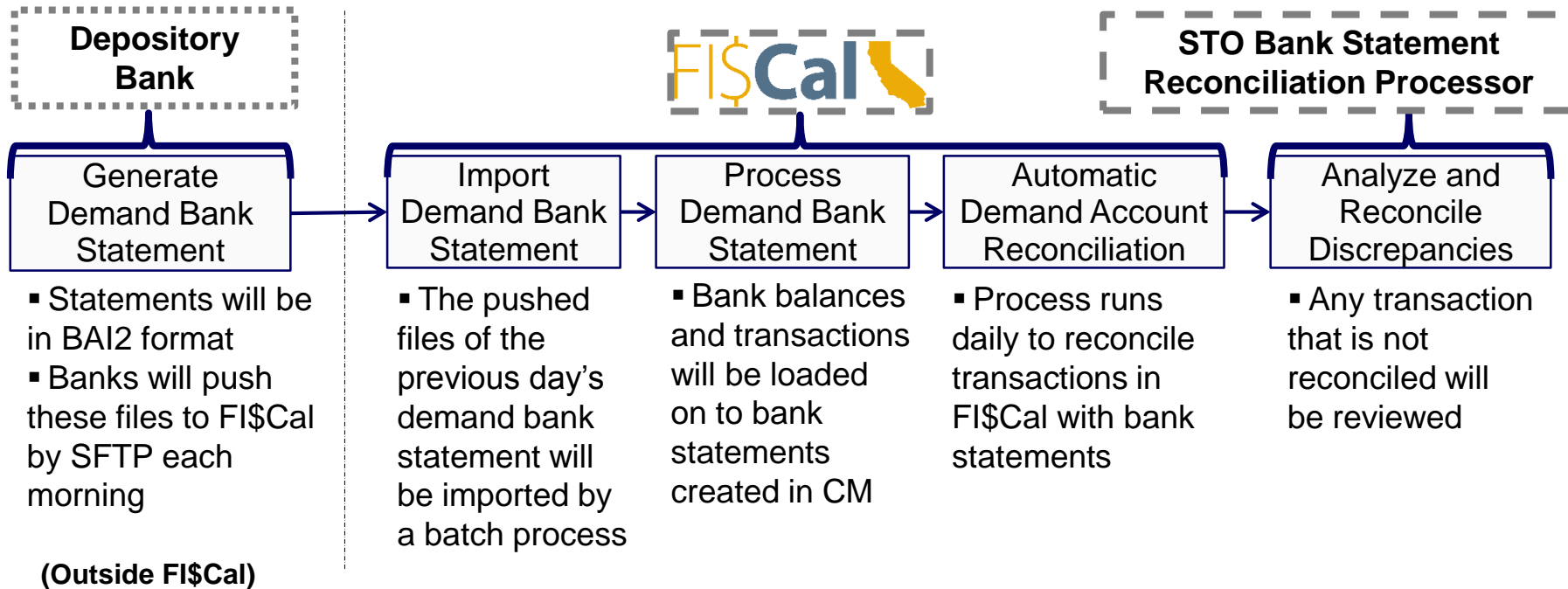
CTS/Warrant Bank Reconciliation



Key Impacts

- SCO analyzes exceptions for Warrant Account
- Departments analyze exceptions for CTS Accounts
- Exceptions may be reviewed daily and must be resolved monthly
- Any update of a transaction for reconciliation is made in the originating module

Demand Account Reconciliation



Key Impacts

- Daily automated integration with all eight Depository Banks to receive previous day BAI2 files
- Exceptions may be reviewed daily and must be resolved monthly

Overview of Role Mapping

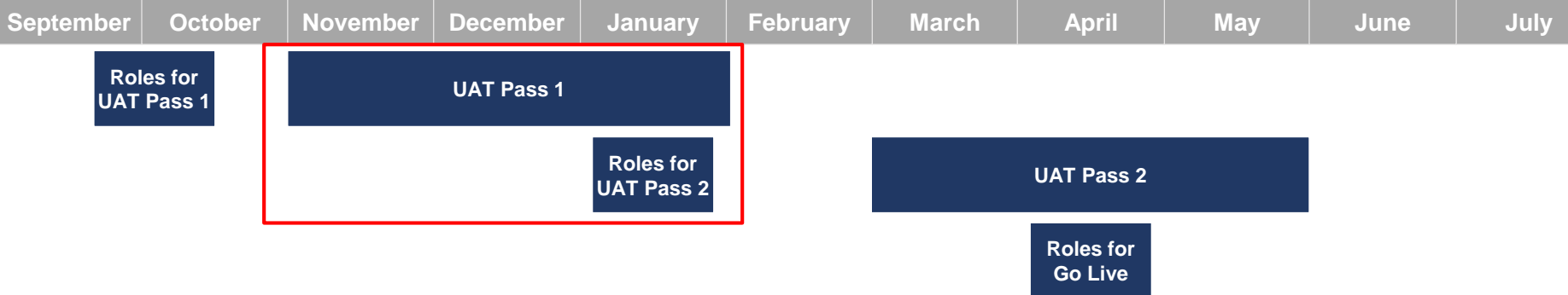
Description

Role Mapping activities allow SCO and STO to assign security roles to end users based on their job requirements and the type of work they will perform in FI\$Cal. Security roles define what users can see and do in FI\$Cal.

MDW Tasks

- TECH325a: Assign Roles for UAT Pass 1
- TECH330a: Assign Roles for UAT Pass 2
- TECH335a: Assign Roles for Go Live

Role Mapping Timeline



How Role Mapping is Used

- To define what end users see and do in FI\$Cal
- To identify department end users for FI\$Cal end-user training
- To map users to required FI\$Cal end-user training courses based on their role assignments
- To identify participants for department change discussions
- To support enforcement of separation of duties
- To support enforcement of hard stops

Role Mapping Tools

- Role Mapping Task Instructions and Response Template (TECH325a, TECH330a, TECH335a)
- SCO/STO Release Role Description Handbook
- FI\$Cal Separation of Duties (SOD) Matrix
- FISCAL Hard Stops Matrix
- SCO/STO Release Business Process Workshop (BPW) presentations

Materials are available on the FI\$Cal website:

http://fiscal.ca.gov/wave_3_resources/index.html

Separation of Duty and Hard Stops

Separation of Duty (SOD): The FI\$Cal Separation of Duties Matrix defines roles that should not be assigned together

Examples:

If you are an employee of...	and you are assigned...	you should not also be assigned...
SCO or STO	SCO Warrant Status Configuration Maintainer	AP: SCO Warrant Processor
SCO or STO	AR Payment Processor	BI/AR: STO Deposit Slip Processor

Hard Stops: Hard stops are set in FI\$Cal to prevent a user from doing something that could be considered a SOD violation

Examples:

If you are assigned the role of...	and you also are assigned the role of...	the System will not allow you to...
SCO AP Processor	SCO AT Approver 1-4	Approve vouchers you have created
STO Cash Transfer Processor	STO Cash Transfer Approver	Approve cash transfers you have created

TECH330a: Assign FI\$Cal Roles for UAT Pass 2

- **Release Date:** Monday, January 2, 2017
- **Due Date:** Friday, January 27, 2017
- **Task Information:** Assign FI\$Cal roles to all SCO and STO end users in preparation for UAT Pass 2 starting in March
- **Key Reminders:**
 - All submissions must be received by a Departmental Authority or Designee (DAD)
 - DADs cannot submit role assignments for themselves (i.e., another DAD must submit)
 - Do not make changes to the template format (e.g., add columns, remove columns, etc.)

TECH330a Template Preview

The TECH330a Response Template consists of two main parts:

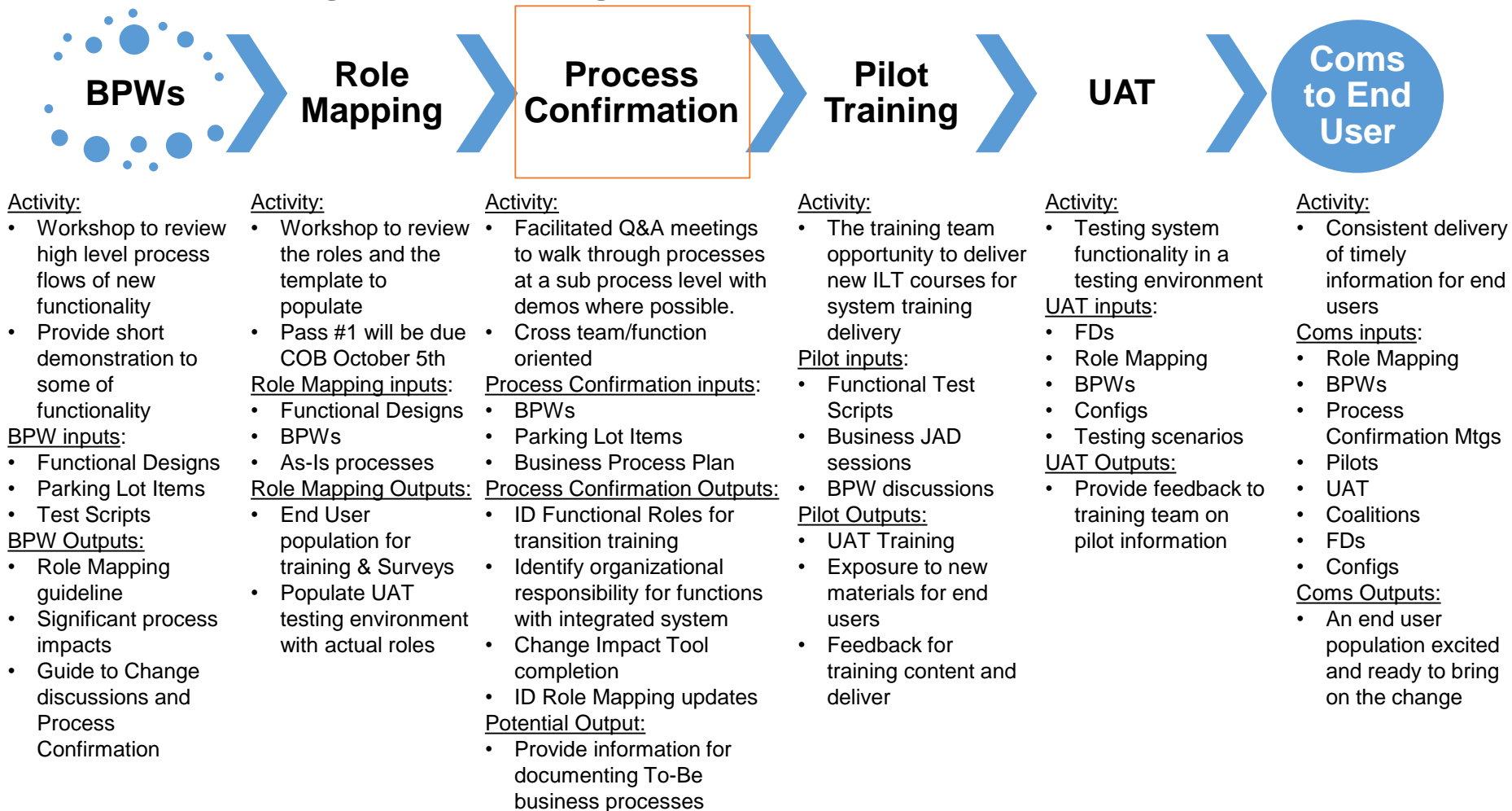
- **User Information:** Complete all information for each end user who will have access to FI\$Cal for the SCO/STO Release

User Information												
BU*	Last Name*	First Name*	Middle Name or Initial	Department Email*	Phone* #####	Job Classification*	City*	State*	Location* (Select the closest Training Hub)	Training Accommodation Requests or Assistive Learning Needs	State employee?* (Yes or No)	Current or Previous end user of FI\$Cal? If yes, provide current/prior email address(es) used for FI\$Cal access.

- **FI\$Cal Roles** (listed by Module): Mark with an “X” any role that should be assigned to the user (a brief description is included)

		Bond Accounting (BA)						
STO Deposit Slip Maintainer	STO Deposit Slip Processor	Bond Viewer	SCO Bond Maintainer	SCO Bond Processor	STO Bond Maintainer	STO Bond Processor	Central Bank Statement Import Processor	Central Bank Statement Processor
Mark with an "X" the STO end user who will configure any configuration relate to the deposit slip.	Mark with an "X" the STO end user who will enter and update deposit slip information for non-FI\$Cal departments.	Mark with an "X" the SCO, STO, or department end user who will run inquiries on bonds.	Mark with an "X" the SCO end user who will have responsibility for any interface processing related to bonds.	Mark with an "X" the SCO end user who will process bonds, including viewing bond details to validate, reversing bonds, and performing any necessary manual refunding or defeasances.	Mark with an "X" the STO end user who will have responsibility for any interface processing related to bonds.	Mark with an "X" the STO end user who will process bonds, including viewing bond details to validate, reversing bonds, and performing any necessary manual refunding or defeasances.	Mark with an "X" the central end user who will maintain bank integration configuration and import bank statements from the State Treasurer's Office (STO) and SCO into the system when the automated batch process has problems.	Mark with an "X" the central user who will maintain bank integration configuration and perform modifications to Ba Statements created by the Statement Import process.

SCO Change Management Activities (Sept 2016-Feb 2017)



Change Impact Activity

- Description:
 - A walkthrough with the FI\$Cal team to assist departments to complete example change impacts
 - Departments will have the understanding on how to complete the remainder of the tool on their own
 - At your table, discuss how the FI\$Cal business processes and related change impacts may affect your department
 - Document three impacts in your BPW Change Impact Tool
- Roles:
 - Facilitator – Helps lead the discussion with your department on the FI\$Cal business processes and change impacts
 - Recorder(s) – Captures the department-specific impacts from the activity in your BPW Change Impact Tool
- Tool:
 - Change Impact Tool – Task to document the changes in People, Process, Technology, and Communication that will arise from the implementation of FI\$Cal business processes

Next Steps

- Share BPW materials at your department
- Attend Process Confirmation Meetings
- Identify and work on updating internal department policies, processes, and documentation
- Prepare for:
 - Participate in Pilot Training – October to November 2016
 - Complete Change Impact Tools (CIT) – November 18, 2016
 - Participate in UAT Pass 1 – November 2016 to January 2017
 - Change Workshop – December 2016
 - Submit Role Mapping for UAT Pass 2 – January 2 - 27, 2017
 - Participate in UAT Pass 2 – March 2017 to May 2017
 - End-User System Training – March 2017 to May 2017

Question and Answer



FI\$Cal Information:

<http://www.fiscal.ca.gov/>

or e-mail the FI\$Cal CMO Team at:

fiscal.cmo@fiscal.ca.gov

Appendix